



Kentucky Health Information Exchange Coordinating Council and Committees

June 15, 2011



09:30- 9:45 Welcome, Introductions & Overview

Janie Miller- *Secretary, CHFS*

Jeff Brady, *Executive Director, CHFS, GOEHI*

9:45 - 10:15

**Polly Mullins-Bentley- Deputy Exec Director
CHFS GOEHI**

- Strategic and Operational Plan Approved
- On boarding Process
- ONC Site Visit
- Progress Report
- KHIE Website KHIE.KY.Gov
- Marketing/Presentations/Conferences/Awards
- Outreach Coordinators
- E-Health Summit

10:15-10:30

Privacy and Security Policy Recommendations
Jeff Brady, Executive Director, CHFS, GOEHI

KHIE

Business Development & Finance Overview

Gary Ozanich, NKU

Ray Austin

University of Louisville

David Bailey

Saint Elizabeth

Jean Cherry

Commonwealth Health Corporation

William Doll

Jackson Kelly PLLC

Tom Leach

Pathways Inc.

Gary Ozanich

Northern Kentucky University

Martha Riddell

University of Kentucky

Ed Snyder

Planned Systems International

Chris Woosley

Baptist Healthcare System

**Leverage the market to economically bring
MU to every provider in the
Commonwealth**

Primacy of Sustainability

Structural Economics

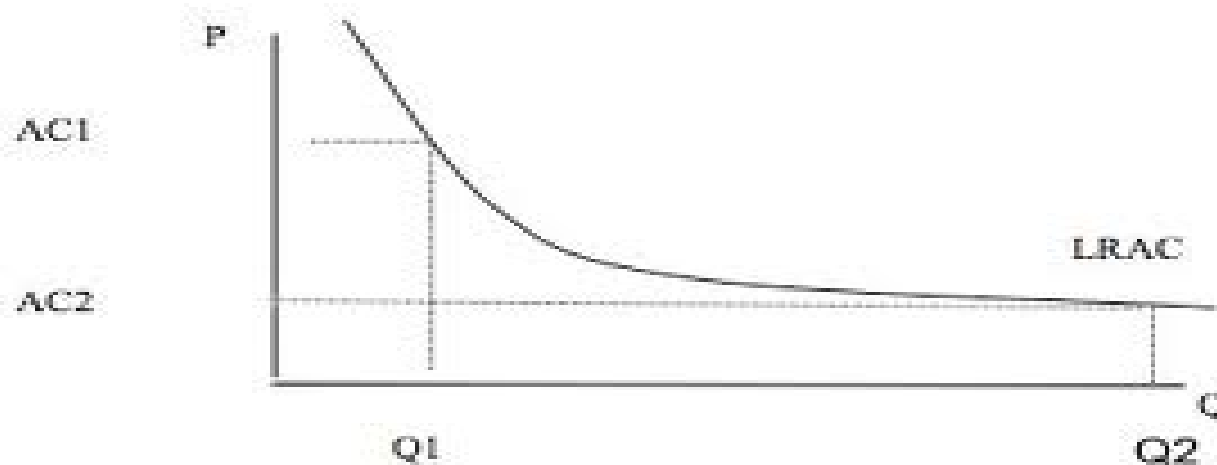
Economies of Scale

Network Effects

Importance of Public Health

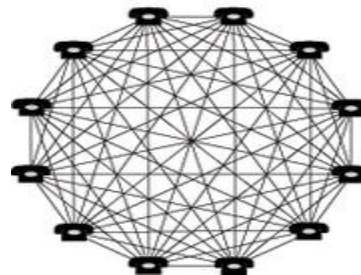
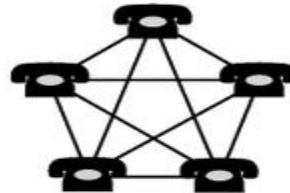
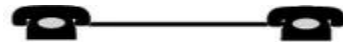
**Importance of Underserved/Special Need
Populations**

The largest producer has the lowest costs

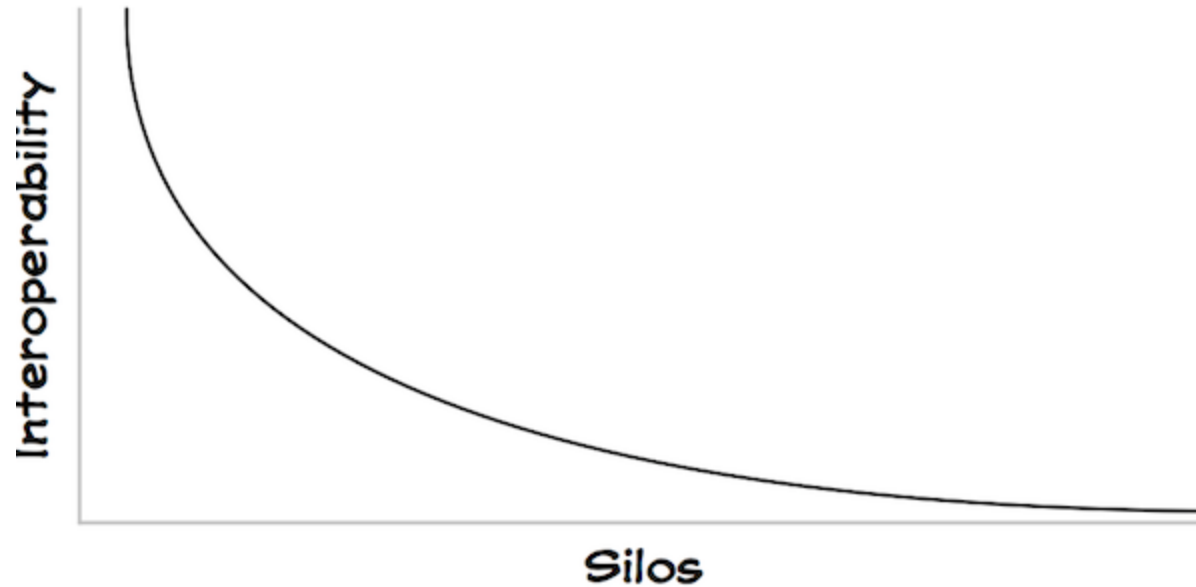


Network Effects

The greater the number of users, the greater the benefit of interconnection



Data Silos as a Network Barrier



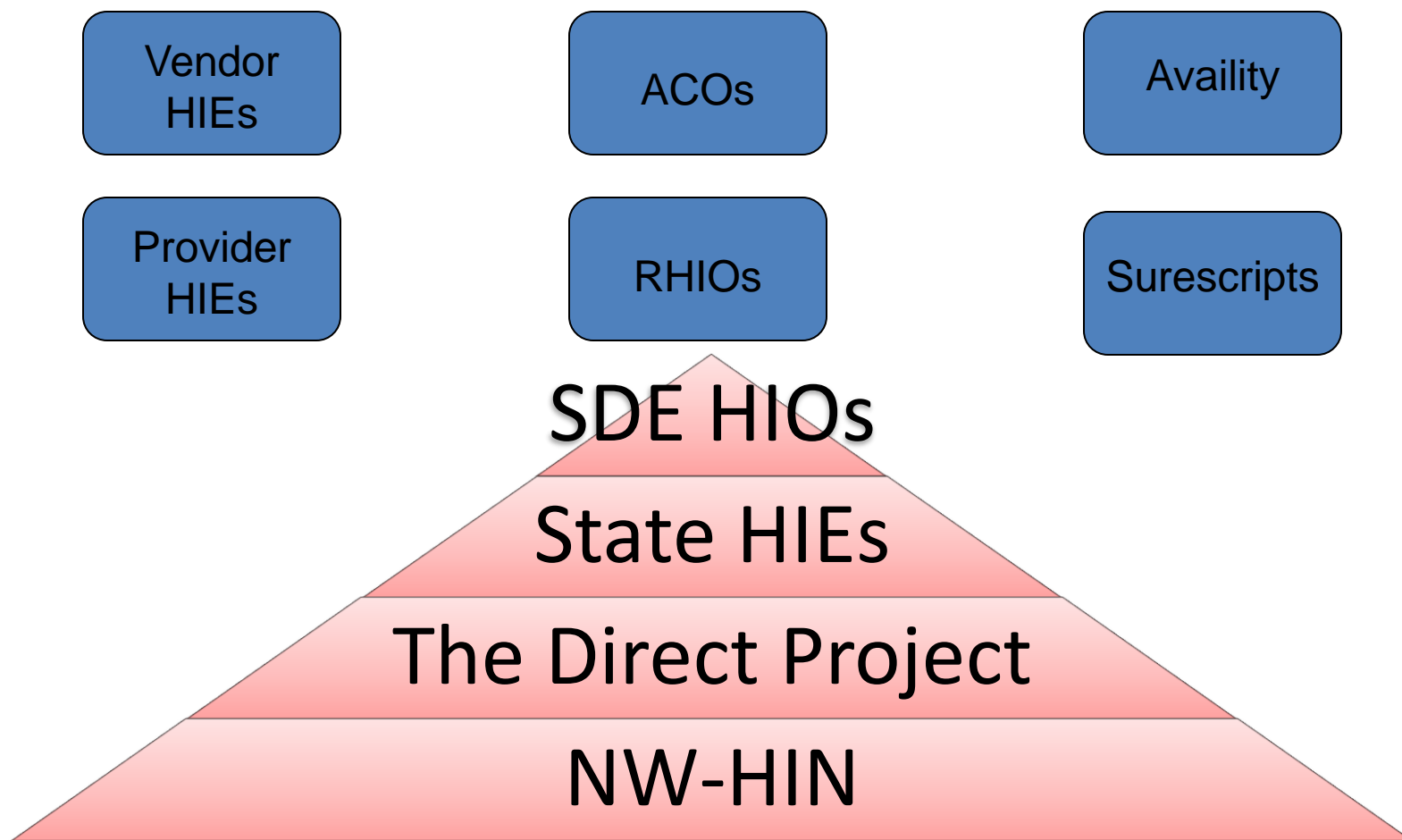
Quasi-Public Utility Model

Network of Networks

**Diversified Revenue Streams Providing
Long-Term Sustainability**

**Recognize the Regional Nature of
Medical Trade Areas, But Benefit from
Lower Costs and Statewide Resources
such as Public Health**

Evolving Network of Networks



Business Model

Analysis of Other State Plans

- Pro Forma Modeling
- Kentucky Demographics
- Market Structure Assessment

Research

Literature Review

- Sustainability
- Value Propositions
- BTE's/CSF's

Primary Research

Revenue Sources

Subscriptions

- Providers
- Practitioners
- Payers/Medicaid

Value-Added Services

Third Party Services

Proportional Stakeholder Contributions
Pass-Through of Economies of Scale
Savings
CMS Guidelines for HIE Support
Assumption of Diffusion/Take-Rates
Drill-Down Cash-Flow Modeling

Four principles:

- 1. Other payer participation/fair share**
- 2. Cost allocation**
- 3. Statewide efficiencies**
- 4. Sustainability**

Medicaid funding part of overall HIE plan

**States must divide costs equitably
across payers based on fair share**

Leverage statewide efficiencies

**Legal agreements with each partner
(payers & providers) detailing scope,
budget and timing of contributions in
the near and long-term functioning of
the HIE**

**The lowest stakeholder contribution
compared to any other filed state plan**

KHIE cost estimates

Economies of scale are evident

Take-rate is projectable

Still refining estimates

Cash flow model

Conservative

Sustainability and growth focus

Core services will be included in basic subscriptions

MU Stage 2 and 3 evolution

ACO outcome measures will shape network requirements

Currently Researching:

Cost Effective Analytic Services

Infrastructure Costs to Support Value-Added Services

**Leveraging the KHIE Infrastructure for
New Services**

Clearinghouse and Aggregation Services

Third Party Applications

RFP Requirements: Case-by-Case

Questions?